British Columbia Safety Authority

Safety Authority

Business Plan

2015–2017

Building Connections

British Columbia Safety Authority

2015-2017 Business Plan

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Introduction

BUILDING CONNECTIONS

The strategic theme of BC Safety Authority's (BCSA) 2015-2017 Business Plan is: **Building Connections.** Now in year three of our 10-Year Strategy, we will focus on demonstrating the value that comes from strong connections between our clients, our stakeholders, and us.

By the end of 2017, we will be half way through our 10-Year Strategy and supporting a strong and increasingly self-sustainable technical safety system underpinned by advanced tools that help our clients deliver public safety.

Our safety goal is to advance the understanding of safety risks and to develop the best ways to manage them. We will continue our work to becoming a knowledge-based organization with a focus on developing new, value-added services that provide safety information to our employees and clients, enabling them to better understand and make informed decisions on managing risk. We will also work to manage safety requirements so that the people who perform or oversee the work are qualified and accountable. And when the work fails to meet standards, we will take action through a strong enforcement program.

We strive to contribute to our clients' success by providing valued products (including services) that attach clients to the safety system, ensuring an efficient and reciprocal exchange of knowledge that leads to improved safety performance. We will do this through the continuation of our client segmentation and research work, which will serve to deepen our understanding of our client base and their needs. We will better know the safety needs of our clients – asset owners and operators, contractors, and homeowners – to increase the relevancy and effectiveness of our products. We will also build our connectivity with clients by adding value to our existing core products, as well as creating new products to fit new clients and segments.

Given that our skilled and committed safety professionals are our most valuable asset in promoting safety, we aim to have a courageous culture where employees build and deliver the safety services for the future. We know that BCSA's success as a knowledge-based organization lies in fully realizing the intellectual capability of our people. As part of our 10-Year Strategy, we are creating a future where our employees have the right tools and information to assess risks across all technologies. Overall, learning and knowledge sharing will continue to be the principles underlying the development of our employees in their leadership, client services and technology skills.

In order to continue to deliver on our mandate as a self-funded organization, we must optimize human, financial and relationship capital, and anticipate and adapt to changes in our marketplace. Because much of our value as an organization is consumed but not monetized, it is all the more important for us to continuously improve data quality, processes, reporting and learning from best practices and previous projects. By treating entitlement and complacency as the enemies of sustainability, we will reduce costs and sustain revenue growth.

Overall, by building connections between our safety, clients, people, and sustainability goals, we are positioning BCSA to achieve our vision of *Safe Technical Systems. Everywhere.*

Overview

2015–2017 BUSINESS PLAN

The safety system comprises people, equipment, safety standards and work practices, and BCSA expects industry and the public to actively participate within the system. In support of our 10-Year Strategy, this business plan focuses on what we will accomplish in 2015-2017.

We will continue to develop a knowledge-based business and grow our ability to collect, maintain and analyze safety and risk data. We will use our technical expertise to benefit clients and society by influencing better safety outcomes across the safety system. This document describes how we will work to achieve each of our strategic goals:

For Safety
We will advance the understanding of safety risks and develop the best ways to manage them.

For Clients
We will contribute to our clients' success by providing valued products that attach clients to the safety system and drive higher safety performance.

For People
We will have a courageous culture where employees build and deliver the safety services for the future.

For Sustainability
We will optimize human, financial and relationship capital, and anticipate and adapt to changes in our marketplace.

We are accountable to improve results continually based on these key measures:

- Understanding and control of safety risks and unsafe conditions.
- The focus and attention we give to higher priority and higher risk situations (using our Resource Allocation Program).
- Client satisfaction with our products (including services) and delivery channels.
- Return on investment of major expenditures, such as our new information system.
- Employee alignment with the business direction.

2015–2017 BUSINESS PLAN AT A GLANCE:

Our Mission	Our Goals	Our Objectives	Our Targeted Results
To build your confidence in safety systems for life – through a focus on risk and support for innovation.	**SAFETY:** To advance the understanding of safety risks and to develop the best ways to manage them.	• Develop and share safety knowledge. • Build safety leadership in system participants. • Apply a risk-based approach to get to better safety – efficiently. • Make sound public policy choices.	• We will help clients make better safety decisions, bring more clients into the safety system and systematically capture and share safety information from high-hazard "as-found" assessments and incident investigations. • We will better support large asset owners to manage the safety of their equipment from installation to operation, including for liquefied natural gas (LNG). • We will expand the client online experience to better connect clients to safety – quicker transactions, more service delivery options, safety knowledge and access to personalized safety information. • We will properly manage our balance sheet and implement systems that improve our internal operations.
	CLIENTS: To contribute to our clients' success by providing valued products that attach clients to the safety system and drive higher safety performance.	• Simplify the way clients do business with us. • Understand what our clients want. • Create specialized products that respond to the safety needs of large clients with complex technical assets and systems.	
	PEOPLE: To have a courageous culture where employees build and deliver the safety services for the future.	• Enhance a systems approach to our work. • Advance connection to our strategy. • Increase flexibility and adaptability.	
	SUSTAINABILITY: To optimize human, financial and relationship capital, and to anticipate and adapt to changes in our marketplace.	• Introduce new, knowledge-based products and services. • Make data-driven decisions. • Build systems to last.	

Who we are
AND WHAT WE DO

WHO WE ARE

BC Safety Authority is an independent, self-funded organization mandated to oversee the safe installation and operation of technical systems and equipment. In addition to issuing permits, licences and certificates, we work with industry to reduce safety risks through assessment, education and outreach, enforcement, and research.

Our mission

We build your confidence in safety systems for life – through a focus on risk and support for innovation.

Our values

Simplicity
Authenticity
Accountability

Our vision

Safe technical systems. Everywhere.

WHAT WE DO

We deliver safety services across the following technologies in the province:

- Electrical equipment and systems
- Boilers, pressure vessels and refrigeration systems
- Natural gas and propane appliances and systems, including hydrogen
- Elevating devices, such as elevators and escalators
- Railways, including commuter rail
- Passenger ropeways, such as aerial trams and ski lifts
- Amusement devices
- Complex and integrated technical systems involving multiple technologies

For further information, including our Annual Report and annual State of Safety Report, visit the 'About' section of our website at **www.safetyauthority.ca**

Our services include:

- Assessing technical work and equipment, including collecting information through physical assessment, incident investigation and registering new equipment and designs.
- Certifying individuals and licensing contractors and operators to perform regulated work.
- Supporting clients in the development of alternative safety approaches, and auditing their safety management plans or equivalent standard approaches.
- Educating our clients and the broader public about technical safety to better control risks.
- Taking enforcement actions that promote an equitable safety system where all participants are compliant with regulations.
- Conducting research, including contributing to provincial and national safety code development and updating regulations for the technologies we serve.

BC Safety Authority operates within a legislative and regulatory framework that includes:

- *Safety Authority Act*
- *Safety Standards Act and Regulations*
- *Railway Safety Act and Regulations*
- *Administrative Tribunals Act*
- *Freedom of Information and Protection of Privacy Act*
- *Ombudsperson Act*
- *Offence Act*

Board of Directors

BC Safety Authority is governed by a board of up to fifteen directors that monitors performance and sets the organization's strategic direction in consultation with management. Directors are appointed on the basis of merit; they must meet the qualifications established in the Safety Authority Act and abide by a code of conduct.

The Board is organized with the following committee structure:

- Finance and Audit
- Governance and Human Resources
- Strategic Advisory

Goal
SAFETY

STRATEGIC GOAL:

To advance the understanding of safety risks and to develop the best ways to manage them.

This business plan connects asset owners and operators, workers, contractors, the public, and regulators to safety in two important ways:

First, the plan's activities promote the understanding of technical safety risks through the information our safety officers record via systematic hazard assessment, analysis, and education.

Second, the activities in the plan clarify and confirm who is responsible for managing safety, and hold safety system participants to their responsibilities. This will be done using a range of tools, from educating people on their role in safety management (e.g., when they must be certified for safety-critical work) to taking appropriate and timely enforcement action.

We will implement and use our integrated, safety-risk information system to facilitate the transfer of knowledge between asset owners and operators, contractors, homeowners, the public, and regulators.

BCSA follows a risk-based approach to safety that prioritizes attention and resources on the highest risks. By assessing safety risks, BCSA creates knowledge to share with stakeholders and to enforce safety requirements. Together, the activities of assessment, research, education & outreach, and enforcement form the Accident Prevention Model and provide for effective and efficient safety oversight.

Our main objective is to enhance the safety of technical systems by growing safety knowledge among all people and organizations involved with safety, thus enabling them to make informed decisions on managing risk. This moves safety system participants beyond a simple model of correction of non-compliances and towards a model of preventing unsafe conditions and injuries.

We believe that, if given the information they need, safety system participants will take responsibility for technical safety. By engaging participants to continually identify ways to improve safety, the system will become self-reinforcing. This approach expects the best of people and sets a high standard. However, when duty holders neglect their safety responsibilities, we will intervene through enforcement or other actions.

Over the next three years, we will deliver more information to duty holders and the public to better equip them to manage safety risks. BCSA will also continue to develop systems to obtain information and learn from others. Our safety tactics will increasingly use information technology to support hazard assessment processes, trend analyses, and learning about safety issues, duty holder participation, and safety system performance.

SAFETY OBJECTIVES

Objective 1 Develop and share safety knowledge.

2015	Build a safety database that informs safety management decisions by fully implementing systematic hazard assessment.
	Establish a renewed incident investigation program by implementing best practices in policy guidance, organizational design, and operational execution.
	Enhance BCSA's ability to share information regarding the safety performance of asset owners and those performing regulated work by developing and introducing a set of client safety history metrics.
2016-2017	Increase the safety knowledge of system participants by sharing information identified through the systematic hazard assessment process.
	Promote better safety decision making by asset owners and operators, contractors, and the public by making essential safety performance information widely available.

Objective 2 Build safety leadership in system participants.

2015	Enrich our enforcement program to include information captured through incident investigation, high "as-found" hazard identification and unpermitted work discovery.
	Enhance the quality of engineering design submissions by further clarifying the responsibilities of duty holders in the design registration process.
	Increase safety knowledge and awareness of responsibilities through the initial touch point of first certification and licensing, and increase the currency of the duty holder registry through renewal processes.
2016-2017	Support the provincial workforce's skills in new technologies by working with stakeholders to establish continuous training programs for workers and certificate holders.
	Build safety leadership among stakeholders by jointly developing guidelines to support better outcomes for asset owners and those who perform technical work.

SAFETY OBJECTIVES

Objective 3 Apply a risk-based approach to get to better safety – efficiently.

2015	Improve safety services' efficiency by designing a process to audit operating permit holders and licensed contractors.
	Enhance safety by conducting assessments of higher risk operations utilizing the resource allocation program (RAP), including electrical operating permits.
2016-2017	Continue to improve the allocation of resources to higher risk operations by implementing RAP for all operating permits.
	Improve safety by using systematically obtained hazard information in the review of technology risks and control plans.

Objective 4 Make sound public policy choices.

2015	Strengthen the oversight of large clients with complex technical assets and systems, including the liquefied natural gas (LNG) industry in BC, through closer collaboration with other regulators.
	Keep safety requirements current by collaborating with the Provincial Government to assess and consult on possible changes to the *Safety Standards Act*.
2016-2017	Increase the quality of safety management by establishing best practices across technologies.
	Improve safety in BC by implementing future changes to the *Safety Standards Act*.

Goal
CLIENTS

Safety will be improved in BC when we increase our clients' attachment to the safety system, ensuring an efficient and reciprocal exchange of knowledge.

STRATEGIC GOAL

To contribute to our clients' success by providing valued products that attach clients to the safety system and drive higher safety performance.

By the end of 2017, our clients will have seamless access to our transactional services, including to their own safety performance information and safety education material through multiple channels.

We will better understand the needs of our clients. Our products (including apps and services) will evolve to raise the bar on both safety and user-friendliness. We will enhance our connection to those clients who directly control technical safety risk, such as asset owners, and we will offer products, either directly or in collaboration with partners, that are tailored to the needs of these clients. In addition, we will conduct research on safety needs to launch new products that help diversify our revenue base and affirm us as a leader in safety knowledge.

Our clients will remain connected to BCSA because their business outcomes improve through using our products, our delivery channels, and access to our safety knowledge through communication and education.

We believe that the safety record of an asset owner or contractor impacts their reputation and their financial success. Safety is improved in BC when we attach clients to the safety system to ensure an efficient and reciprocal exchange of knowledge. This goal is therefore focused on mutually beneficial, on-going client relationships that demonstrably improve clients' safety performance, as well as BCSA's safety products.

To achieve this goal, BCSA will design and implement innovative, data-driven products that keep pace with changing technologies and economies, and are tailored to the different ways our client segments conduct the business of safety.

CLIENTS OBJECTIVES

Objective 1 Simplify the way clients do business with us.

2015	Better connect clients to the safety system through expanded online channels offering rapid transactions and personalized safety information.
	Implement an integrated client contact management system to better support our relationships with clients.
	Expand client education programs to transmit safety knowledge acquired from incident investigation and high "as-found" hazard identification.
2016-2017	Extend client self-service transactions, and access to safety information and education to clients in all technologies, across multiple delivery channels.

Objective 2 Understand what our clients want.

2015	Create client group profiles to better identify specific safety needs and how our current products can evolve to meet those needs.
	Solidify a "roadmap" for evolving our existing products to produce better safety outcomes and greater client value.
	Attach more clients to the safety system through the identification of unpermitted and unsafe work, and through information exchange with our public service organization partners.
2016-2017	Evolve the existing operating permit product to be more client and safety system friendly, allowing asset owners to make better safety decisions.
	Produce safety data and reports that are tailored and relevant to different client types (e.g., asset owners and operators, contractors, homeowners).

Objective 3 Create specialized products that respond to the safety needs of large clients with complex technical assets and systems.

2015	In support of the liquefied natural gas (LNG) industry and other large clients, develop an alternative oversight model for large, multi-phase installation (construction) projects, and grow the number of clients moving toward adoption of an Alternative Safety Approach (ASA) for operating assets.
	Build and implement an alternative solution for propane clients to bring dispenser and storage vessels more fully into the safety system.
	Create a strategy to offer products to government entities to improve and bring consistency to technical systems safety (e.g., BC municipalities, Provincial and Federal agencies).
2016-2017	Obtain two contracts to supply a non-regulatory technology- or knowledge-based product to a large client or government entity.
	Sustain momentum to migrate our largest clients to an alternate model for installing and operating large assets.

Goal
PEOPLE

A team of skilled and committed safety professionals is critical for BCSA to achieve its mission.

STRATEGIC GOAL

To have a courageous culture where employees build and deliver the safety services for the future.

We are changing the way we work, and the kinds of things we work on. This includes how we organize and collaborate on work, the kinds of skills identified and learned, and the reinforcement of attitudes and behaviours that contribute to a knowledge-based organization.

Our focus over the next three years will be to continue to strengthen our knowledge-based organizational capabilities and to fully realize the potential of our systems. Some of those systems include mobile tools for safety officers, our new information and learning management systems, integrated with our time and attendance system.

We are preparing for a future where our employees will assess risks across technologies and will specialize and excel in failure potential analysis. Over the next several years, BCSA will integrate people with different backgrounds, contributions and work styles into a fluid and flexible workforce. Our employees will turn knowledge and expertise into valued services for the advancement of safety. BCSA will provide a work environment where highly skilled individuals can find challenging work, advance the understanding of risks through education, and attach clients to the safety system.

PEOPLE OBJECTIVES

Objective 1 Enhance a systems approach to our work.

2015	Configure the Human Resources Management System (HRMS) to provide a framework for actively developing, allocating, assessing resources for corporate priorities and initiatives in future years.
	Support our transition to a knowledge-based organization by expanding channels of training delivery and developing necessary skill sets in our employees, such as high hazard identification, investigation, and auditing skills.
	Clarify employee roles with multi-technology accountability in support of safety solutions for large clients with complex technical systems.
2016-2017	Be more responsive to safety and client needs by leveraging our systems to implement a workforce plan, with a primary focus on safety and clients and a secondary focus on technology and geography.
	Use the HRMS framework to align employee performance objectives, plan development and succession, resource projects, and assess performance.

Objective 2 Advance connection to our strategy.

2015	Ensure organizational capability and commitment to our strategy by measuring our cultural transition to a learning-oriented, adaptive and connected environment.
	Ensure employee competencies continually support the achievement of goals and strategy through attraction and retention of highly-qualified employees and leveraging employees' talents at the right times.
2016-2017	Support a flexible and adaptive work environment by enabling a nimble learning environment where employees feel supported to solve problems and implement new ideas.
	Highlight our knowledge, expertise and understanding of clients needs to address risk and safety oversight by offering the first new product or service developed by a self-directed group within BCSA.

Objective 3 Increase flexibility and adaptability.

2015	Better align resources to organizational priorities by transitioning roles, developing adaptive work practices, and supporting a cross-functional project management approach.
	Support employees to be courageous problem solvers and to provide timely innovative safety solutions by further enhancing the leadership development program aimed at growing key skills in these areas.
	Expand employee training of high hazard identification and incident investigation through the online learning system.
2016-2017	Ensure the success of the learning management system by measuring the extent to which the system supports duty holders' awareness of accountability.
	Support open sharing of workflows and data with clients and stakeholders across systems by developing an internal quality assurance program.
	Expand our access to talent by connecting to educational institutions in order to engage individuals in the safety system earlier in their career.

Goal
SUSTAINABILITY

As a self-funded authority, BCSA requires sound financial management to fund the delivery of safety services throughout the province.

STRATEGIC GOAL

To optimize human, financial and relationship capital, and to anticipate and adapt to changes in our marketplace.

The business plan's sustainability tactics support those in the areas of safety, clients and people. This will be achieved through tactics surrounding product and revenue diversification, data driven decision making, improved systems and business processes.

We will remain relevant and adaptable to the ever changing safety system landscape by ensuring our staff and clients have the systems and information they need.

The success of our sustainability efforts will be evidenced by the generation of a surplus in each of the next three years to fund the operating reserve.

BCSA's revenue is primarily generated from the construction industry, leaving it vulnerable to industry cycles affecting installation volumes, even while BCSA's safety focus remains on an ever larger installed asset base. To provide a more diversified revenue source to ensure critical safety work continues despite economic cycles, BCSA needs to widen its focus from the contractor to include the entity ultimately responsible for safety – the asset owner. This shift, as well as consideration for some transactional purchases by clients to move to alternate billing models, would reduce revenue volatility.

BCSA's vision of "Safe technical systems. Everywhere." requires sustainable operations through solid revenue streams, systems and expense management. Sustainable operations are a necessity in order to support this vision of safety. More specifically, BCSA will address sustainability by adhering to the following philosophies:

- Increase BCSA's financial reserves to provide future capital for reinvestment.
- Forge strategic partnerships to enhance safety initiatives while creating related lines of business.
- Diversify lines of business to reflect new initiatives that are in line with BCSA's main lines of business.
- Improve financial measurements through improved Key Performance Indicators (KPIs) and financial information.

SUSTAINABILITY OBJECTIVES

Objective 1 Introduce new, knowledge-based products and services.

2015	Support revenue diversification through the development of new knowledge-based products and services.
	Augment processes to better support non-routine or new client transactions (i.e., Alternative Safety Approaches program).
2016-2017	In consultation with our clients, launch new products and services that expand safety utilizing BCSA's data, such as the client portal, Resource Allocation Program (RAP) tool, and key elements of our contractor database.
	Continue progression as a knowledge-based organization through the development of new products and services that leverage the value in our data and analytics.

Objective 2 Make data-driven decisions.

2015	Apply cost allocation and profitability analysis methodologies to guide expenditure decisions by technology, client type or other segmentation.
	Provide more timely financial information to BCSA decision-makers to allow for timely response and measurement.
2016-2017	Implement new financial system that allows for further analytics and segregated reports to ensure relevant information is provided to decision makers in a timely manner.
	Improve BCSA's internal analytics through more efficient departmental reports and reviews.
	Expand and enhance BCSA's data warehouse to incorporate additional, external sources of information.

Objective 3 Build systems to last.

2015	Upgrade and enhance existing systems to ensure their security, reliability and scalability and to improve employee effectiveness.
	Put in place systems and processes to ensure data is reliable, secure, accurate, relevant and accessible.
2016-2017	Support continuous improvement in operating processes through adoption of leading technology.
	Expand the number of systems covered by business continuity processes and infrastructure.

Measuring PERFORMANCE

Our measures reflect the progress we have made thus far in our 10-Year Strategy, and the most important initiatives we must deliver in 2015 to continue to move our strategy forward.

1 Help clients make better safety decisions, bring more clients into the safety system and systematically capture and share safety information from high-hazard "as-found" assessments and incident investigations:

a	Improving safety knowledge through standardized hazard information documentation	• For the period Q4-2015, sampled records reflect that hazards are being rated using the technology hazard maps and for hazards rated as medium (3) and high (4 and 5) records reflect descriptions of the created hazard and contributing factors.
b	Creating the newly designed incident investigation program	• By October 31, 2015, BCSA has completed design of the program structure and the documentation of new or revised procedures. Incident investigation report quality management standards are developed and a small sample set of 10 investigation reports is rated.
c	Expanding the reach of client education and share knowledge on found hazards and incident investigation outcomes	• By December 31, 2015, BCSA has shared 12 different safety insights related to "as-found" conditions or incident investigation findings in our education or communication vehicles. • For 2015, the total number of clients participating in education events (e.g., tech talks, client breakfast and learn, online courses and forums, and conferences) and receiving e-newsletters is 20% greater than in 2014. • For 2015, the average client rating of education events (e.g., tech talks, client breakfast and learn, online courses and forums, and conferences) is 4.0 ("Very Good") out of 5.0 ("Excellent").
d	Connecting clients to their own safety knowledge	• By December 31, 2015, BCSA has a documented process and a report template for creating reports detailing permit, declaration and physical inspection history, including high hazard data, if any, for asset owners, and electrical and gas contractors.
e	Attaching more clients to the safety system	• By December 31, 2015, BCSA has identified twice as many installations where electrical and gas contractor installation permits should have been issued as compared to 2014.

MEASURING PERFORMANCE

2 Better support large asset owners to manage the safety of their equipment from installation to operation, including for liquefied natural gas (LNG):

a	Implementing alternatives to individual equipment permitting for large asset owners	• By December 31, 2015, create and document a safety oversight approach for large, multi-phase installation (construction) projects. • By December 31, 2015, build and implement the alternative solution for propane clients to bring dispenser and storage vessels into the safety system.
b	Supporting our employees in leading and delivering integrated and innovative safety services	• Clarify employee roles with multi-technology accountability in support of safety solutions for large clie..ts with complex technical systems.

3 Expand the client online experience to better connect clients to safety – quicker transactions, more service delivery options, safety knowledge and access to personalized safety information:

a	Delivering client value through our different transactional channels	• By December 31, 2015, client transactions are more electronic and less paper-based as compared to 2014 as follows: • 20% reduction in the total number of contractor electrical and gas installation permits and corresponding work declarations (requests for assessment) submitted by fax or paper format. • 25% of the combined total of all electrical and gas installation permits, operating permits and certificates of inspection issued by BCSA are sent by email.
b	Validating the positive benefits to clients and the safety system of new client portals and portal features	• By end Q1-2015, a first version (minimum viable product) for a map view of permit locations is available to electrical and gas contractors on MyConnection. • By end Q2-2015, a first version (minimum viable product) of a client mobile app is available to targeted clients. • By end Q3-2015, a first version (minimum viable product) of a portal for asset owners with operating permits is available to targeted clients.
c	Measuring client satisfaction with BCSA	For 2015, client survey results are as follows: • An average of at least 87% of respondents rate BCSA's overall performance as "Good", "Very Good" or "Excellent". • An average of at least 85% of respondents rate their recent experience with BCSA as "Good", "Very Good" or "Excellent".

MEASURING PERFORMANCE

4 Properly manage our balance sheet and implement systems that improve our internal operations:

a	Contribution Margin [Revenue - Direct costs (as adjusted)] / Revenue	• 37.5% (after deferral)
b	Overhead Ratio [Total Costs - Direct Costs (as adjusted)] / Revenue	• 36.5% (after deferral)
c	Strengthening our Operating Reserve	• Audited 2015 Operating Reserve is a minimum of $790,000 greater than the operating reserve balance shown in the 2014 Statement of Financial Position.
d	Effectiveness of our Human Resources Management System (HRMS) in executing payroll accountabilities	• By December 31, 2015, all identified high risk deficiencies associated with Phase 1 of HRMS have either been resolved or are the subject of a control plan (as identified during Internal Audit on the Operating Effectiveness and Adequacy of Controls).
e	Ensuring that the right employees are on board at the right times to support the 10-Year Strategy	• By December 31, 2015, Phase 2 of HRMS is implemented, allowing for the capture of capability requirements and employee skill sets.

Financial OUTLOOK

FORWARD-LOOKING STATEMENT

The focus of the 2015 budget was to take a conservative view on our service revenue. Installation permits were held close to 2014 levels and we forecasted moderate growth in our operating permits. A review of our expenses was conducted and we intend on keeping a close eye on our expenditures to ensure we maximize our return on expenditure.

The forecasts for 2016 and 2017 are our best view of these years at this point in time. They are conservative figures based on the assumption that our revenue and expenses have similar profiles to 2015. All forward-looking statements within this report should be understood to involve risks and uncertainties that could cause actual financial or operating results to differ significantly.

	FORECAST 2014	BUDGET 2015	FORECAST 2016	FORECAST 2017
REVENUE				
Service and related fees	45,377,000	46,895,538	48,302,405	49,751,477
Interest Income	280,000	300,000	310,000	322,239
TOTAL REVENUE	45,657,000	47,195,538	48,612,405	50,073,716
EXPENDITURE				
Salaries and benefits	31,150,000	32,138,499	33,051,961	33,988,261
Amortization of property and equipment	3,390,000	3,290,220	3,400,000	3,550,000
Building occupancy	2,620,000	2,873,600	2,945,440	3,019,076
Audit, legal, and insurance	728,000	872,000	893,800	916,145
Contract services	1,169,000	938,920	962,393	986,453
Travel	1,150,000	1,023,487	1,049,074	1,075,301
Office and business	1,576,000	1,392,613	1,427,428	1,463,114
Telecommunications	620,000	711,613	729,404	747,639
Information systems	970,000	1,270,346	1,302,105	1,334,657
Training	315,000	369,818	379,063	388,540
Vehicles	778,000	727,829	746,025	764,675
Corporate governance	386,000	442,100	453,153	464,481
Postage and courier	288,000	219,169	224,648	230,264
Outreach and awareness	285,000	283,870	290,967	298,241
Materials and supplies	126,000	121,454	124,491	127,603
Bad debt	(50,000)	20,000	20,500	21,013
TOTAL EXPENDITURE	45,501,000	46,695,538	48,000,451	49,375,462
SURPLUS/(DEFICIT)	**156,000**	**500,000**	**611,954**	**698,253**

Glossary

Alternative Safety Approaches (ASA)

A performance-based approach to achieving compliance with the *Safety Standards Act*, which allows owners or operators of regulated equipment to meet safety objectives in ways other than those prescribed by the regulations.

As-found conditions

Conditions found by safety officers during physical assessments, investigations, or audits of regulated work, product or equipment, or safety systems.

Assessment

An evaluation or review of information relating to regulated work or equipment.

Key BCSA activities in Assessment are:

- Gathering of evidence through on-site / physical assessments (of reported hazards and work performed by contractors or homeowners);
- Gathering of evidence through incident investigations;
- Gathering of evidence through audits or documentation evaluations (of safety management plans for example);
- Reviews of requests for permission (such as permit or ASA applications);
- Reviews of declarations and reports from duty holders (including incident reports);
- Reviews of qualifications for licensing or certification; and
- Reviews of product or equipment and designs when approving these for use in BC.

Audit

An independent, systematic review supported by objective evidence that is focused on a system or process.

Duty holder

A person or company who is responsible for compliance because they either own regulated products or equipment, or perform regulated work.

Field Safety Representative (FSR)

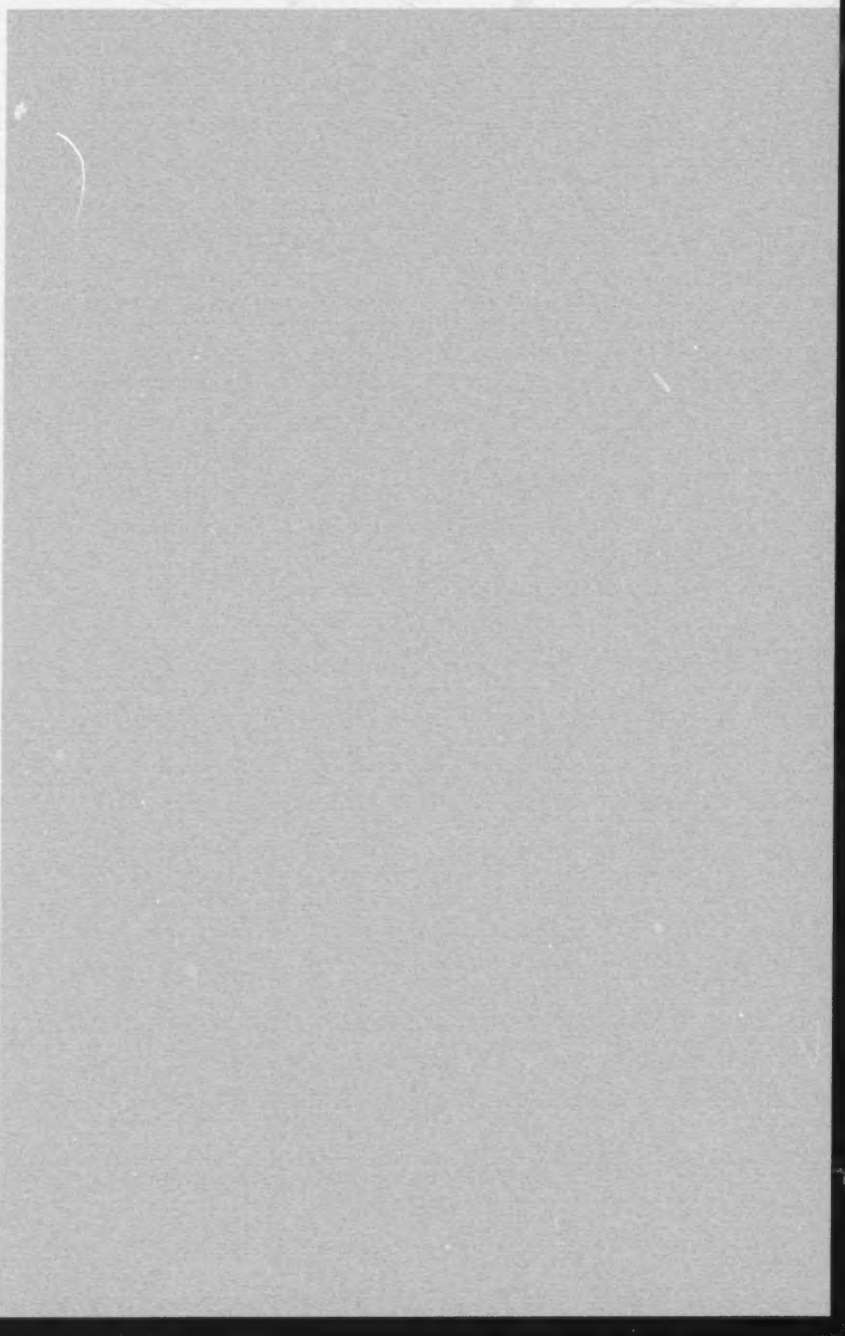
An individual who holds a certificate of qualification verifying that they have satisfied regulatory requirements for demonstrating competency in the interpretation and application of regulations and codes. The certificate is required to carry out the duties described in regulation. These duties include obligations to assess compliance of regulated work and operation of equipment; certification also entitles them, on behalf of a contractor or operating permit holder, to make declarations that regulated work complies with the Safety Standards Act and regulations.

Resource Allocation Program (RAP)

A rating program that uses risk-informed criteria to establish work priorities and the allocation of BCSA resources. RAP uses current and historical data which is based on the scope and stage of work being performed; equipment environment; and safety history.

British Columbia Safety Authority

Safety Authority



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